99TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 99-121
Part 1

PIPELINE SAFETY AUTHORIZATIONS

MAY 15, 1985.—Ordered to be printed

Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 2092 which on April 17, 1985, was referred jointly to the Committee on Energy and Commerce and the Committee on Public Works and Transportation]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 2092) to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

PURPOSE AND SUMMARY

The purpose of H.R. 2092 is to authorize appropriations for fiscal year 1986 and 1987 for carrying out the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 and for making minor changes in both Acts.

BACKGROUND AND NEED

The pipeline transportation of gas and hazardous liquids is regulated with regard to safety. The Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 are the primary authorities for regulating pipeline safety.

The Pipeline Safety Act of 1979 amended the Natural Gas Pipeline Safety Act of 1968 so as to, among other things, strengthen the Federal enforcement capability by directing the Secretary of Trans-

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portation to establish and enforce certain specific safety standards for liquefied natural gas facilities.

In addition, it established a new regulatory scheme for the pipeline transportation of hazardous liquids. This new regulatory scheme, the Hazardous Liquid Pipeline Safety Act, closely parallels the regulatory scheme for the pipeline transportation of gas.

These Acts provide an overall scheme for the regulation of the pipeline transportation of gas and hazardous liquids. The Acts require establishiment of minimum Federal safety standards. These standards are exclusive for interstate pipelines. However, States may impose additional or more stringent standards for intrastate pipelines and facilities as long as they are compatible with the minimum Federal standards.

The Federal responsibility for carrying out these Acts is vested in the Department of Transportation's Materials Transportation Bureau. That Bureau, in conjunction with the States, oversees the safety regulation of gas pipelines and hazardous liquid pipelines. The combined pipeline system consists of about 1.7 million miles. There are about 1.5 million miles of gas pipelines and 225,000 miles of hazardous liquid pipelines.

Since the passage of the Natural Gas Pipeline Safety Act of 1968, the Department of Transportation has overseen a pipeline safety program designed to assist States, pursuant to section 5 of that Act, in protecting their citizens against the perils of unsafe natural gas pipeline systems. States which participate in the pipeline safety program conduct inspections of pipelines and related facilities subject to the Act and, in appropriate situations, see that adequate corrective measures are taken. All States, except Alaska, Idaho, and South Dakota, participate in the program.

Since its enactment in 1968, the Natural Gas Pipeline Safety Grants-In-Aid Program (49 U.S.C. 1671) has proved to be a model of Federal-State cooperation in its implementation of gas pipeline safety standards.

A similar mechanism was established for instituting a state program for the pipeline transportation of hazardous liquids in section 205 of the Hazardous Liquid Pipeline Safety Act of 1979. However, the program has not yet commenced, principally because the States having intrastate hazardous liquid pipeline systems needed time to formulate and establish their State programs.

Now, the Committee has been advised that as of April 1985, seventeen states have legislation to regulate intrastate hazardous liquid transportation, and thus have proper jurisdiction for program eligibility. The States are Arizona, Arkansas, California, Hawaii, Iowa, Kansas, Montana, Nevada, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Texas, West Virginia, and Wyoming. Six other states are seeking the necessary legislation. They are Alabama, Louisiana, Mississippi, Oklahoma, Washington, and Wisconsin. The Committee notes that the above-mentioned States have over 80 percent of the intrastate hazardous liquid pipelines that would be regulated by the Hazardous Liquid Pipeline Safety Act.

It should be noted that the Department of Transportation issued the final rules for the regulation of these pipelines on April 23, 1985, with an effective date of October 21, 1985. Hence, the Depart-

ment will be able to commence the State grant program in fiscal year 1986.

At the hearings held on April 30, 1985, M. Cynthia Douglass, Administrator of the Research and Special Programs Administration, testifying on behalf of the Department of Transportation, requested that the Congress merge the grants-in-aid programs to the States for natural gas pipeline safety and hazardous liquids pipeline safety to provide for a unified authorization. Ms. Douglass stated that:

> This year we are requesting that Congress merge the two grant programs and authorize $4.5 million for the merged program. While this amount does not reflect additional dollars for the hazardous liquid program, it does have two distinct advantages. First, it gives flexibility to the States to direct their safety dollars to those pipelines which have the biggest safety problem, whether natural gas or hazardous liquid. Second, it encourages those States with hazardous liquid pipelines to adopt the Federal intrastate standards. We believe a merger of the programs makes safety sense. It will also best serve our administrative needs by providing an efficient unified approach to the operation of substantially identical programs.

In testimony on behalf of the National Association of Regulatory Utility Commissioners, Dale Johnson stated that:

> The hazardous liquid pipeline safety program is another Federal-State partnership whereby Federal grants-in-aid are authorized to be provided to participating States for enforcing intrastate liquid pipeline safety. However, the program is in its fifth year and funds have never been appropriated. The success of the natural gas pipeline safety program is a strong indicator that the hazardous liquid pipeline safety program could be equally as beneficial if given the opportunity. The States need the reauthorization of this program so that they may continue their efforts to secure Federal funding. The states are ready and willing to make this program work once they have the proper authorization and appropriations.
>
> Presently, 17 States have jurisdiction for program eligibility through legislation and 6 States are seeking legislation to provide them with jurisdiction. If this safety program is to become a reality, funds must be appropriated; however, once again the budget request for FY 1986 does not include funding for the hazardous liquid pipeline safety program. Like the Natural Gas Pipeline Safety Program, the hazardous liquid program would assist the Federal government in fulfilling its safety responsibilities and at the same time it would reduce the Federal funding level that would otherwise be required.
>
> The NARUC has continued to seek funding for this program. In 1983 and 1984, the NARUC requested that $1 million in startup funds be provided for the implementation of the hazardous liquid pipeline safety program; how-

ever, no funds were appropriated. Without funding the States are unlikely to pick up the program.

The Committee has agreed to amend the law so as to provide for the unified authorization of the two State grants-in-aid programs. However, the amounts provided for in the bill restore amounts deducted by the Department of Transportation for the proposed salary reduction for employees ($125,000). The committee also adds $500,000 to the amount available for the combined grants-in-aid programs. The hazardous liquid pipeline safety program grants-in-aid program funding is earmarked at not less than five percent of the total authorization of $5,000,000 for fiscal year 1986 and $5,230,000 for fiscal year 1987.

The Committee adopted an amendment in section 4 of the reported bill which adds a new section 20 the Natural Gas Pipeline Safety Act. New Subsection 20(b) finds that certain acts unreasonably burden and discriminate against interstate commerce and provides that states, subdivisions thereof, or an authority acting for a state or subdivision of a state may not do them.

Paragraph (1) provides that a state cannot assess natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the ratio that the assessed value of other commercial and industrial property in the same jurisdiction has to the true market value of the other commercial and industrial property. Paragraph (2) forbids a state to levy or collect a tax on an assessment which does not comply with the requirement in paragraph (1).

In addition, paragraph 3 provides that a state may not collect an ad valorem property tax on natural gas transmission property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.

Paragraph 4 limits the application of the provisions for injunctive relief so that it would not apply to those states whose tax rate assessments and fair market value applications achieve rate uniformity for natural gas pipelines when compared with other commercial and industrial properties.

Relief for violations of any of these provisions may be sought in district courts of the United States.

Finally, the amendment contains a provision that provides that any savings accruing to any person, including natural gas companies, due to the enactment and implementation of this new tax discrimination provision should be passed through to the ultimate consumer. The Committee noted that taxes paid by a natural gas company are a cost item reflected in rates paid by purchasers of the gas and its transmission. If there is any reduction in the cost because of tax reductions, the Committee anticipates that the cost reduction will be reflected in the rates charged to customers.

SECTION-BY-SECTION

Section 1 of the legislation provides funds for carrying out the Natural Gas Pipeline Safety Act of 1968 for fiscal years 1986 and 1987. The amounts are $3,450,000.00 for fiscal year 1986 and $3,600,000.00 for fiscal year 1987.

Subsection 2(a) of the legislation adds a new subsection (c) and (d) to Section 17 of the Natural Gas Pipeline Safety Act. New subsections 17(c) and 17(d) provide funds for carrying out the state grant programs established by section 5 of the Natural Gas Pipeline Safety Act of 1968 and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979. This subsection provides a joint authorization for both programs with a stipulation that not less than 5 percent of the total shall be for carrying out the state grant program for the hazardous liquid pipeline safety. Amounts authorized to be appropriated are $5,000,000.00 for fiscal year 1986 and $5,230,000.00 for fiscal year 1987.

Subsection 2(b) of the legislation provides for conforming amendments to both Acts.

Section 3 of the legislation provides funds for carrying out the Hazardous Liquid Pipeline Safety Act of 1979 for fiscal years 1986 and 1987. The amounts are $875,000.00 for fiscal year 1986 and $912,000.00 for fiscal year 1987.

Section 4 adds a new section 20 to the Natural Gas Pipeline Safety Act.

New subsection 20(a) defines "assessment," "assessment jurisdictions," "natural gas transmission property," "commercial and industrial property," and "natural gas company."

New subsection 20(b) declares that certain acts unreasonably burden and discriminate against interstate commerce. States, subdivisions of a state or authority acting for a state or subdivision thereof may not:

> (1) assess natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the ratio that the assessed value of other commercial and industrial property in the same assessment jurisdiction has to the true market value of the other commercial and industrial property;
>
> (2) levy or collect a tax on an assessment that may not be made under paragraph (1) of this subsection; and
>
> (3) levy or collect an ad valorem property tax on natural gas transmission property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.

New subsection 20(b) also provides that the above provisions shall not apply to those states whose tax rate assessments and fair market value applications achieve rate uniformity for natural gas pipelines.

New subsection 20(c) provides that district courts of the United States have jurisdiction to prevent a violation of this section. It further provides that relief may be granted under this subsection only if the ratio of assessed value to true market value of natural gas transmission property exceeds, by at least 5 percent, the ratio of assessed value to true market value of other commercial and industrial property in the assessment jurisdiction. Additionally, it provides that the burden of proof in determining such assessed value shall be governed by the State law. The subsection provides an alternate means to the sales assessment ratio study for determining the ratio of the assessed value of other commercial and industrial

property in the assessment jurisdiction to the true market value of all other commercial and industrial property.

New subsection 20(d) provides that it is the sense of the Congress that any savings accruing to any person (including any natural gas company) by reason of enactment and implementation of this section should be passed on the ultimate consumers of natural gas.

Subsection 4(b) provides that the amendments made by subsection (a) shall take effect on January 1, 1986.

Committee Consideration

H.R. 2092, a bill to authorize appropriations for fiscal years 1986 and 1987 to carry out the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, and for other purposes, was introduced (by request) on April 17, 1985. It was referred jointly to the Committees on Energy and Commerce and Public Works and Transportation.

The Subcommittee on Surface Transportation held hearings on April 30, 1985, on the subject matter of the legislation. On May 15, 1985, the Committee on Public Works and Transportation, by voice vote, ordered H.R. 2092, as amended, to be reported with an amendment to the House.

Compliance with Clause 2(l) of Rule XI of the Rules of the House of Representatives

(1) Pursuant to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter by the Subcommittee on Investigations and Oversight. However, the Subcommittee on Surface Transportation held hearings on this subject matter which resulted in the reported bill.

(2) With respect to clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, the bill, as reported does not provide new budget authority or increased tax expenditures. Accordingly, a statement pursuant to section 308(a) of the Congressional Budget Act is not required.

(3) Pursuant to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no report has been submitted to the committee by the Committee on Government Operations pertaining to this subject matter.

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the committee makes the following statement with regard to the inflationary impact of the report bill:

The committee believes that the enactment of this legislation will have no inflationary impact on prices and costs in the operation of the national economy.

Cost Estimate

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made regarding the cost of this legislation:

The reported bill authorizes (1) an appropriation of $3,450,000 for fiscal year 1986 and $3,600,000 for fiscal year 1987 for the purpose of carrying out the Natural Gas Pipeline Safety Act of 1968, as

amended, (2) an appropriation of $5,000,000 for fiscal year 1986 and $5,230,000 for fiscal year 1987 for carrying out the combined state grant programs of the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979, as amended, (3) an appropriation of $875,000 for fiscal year 1986 and $912,000 for fiscal year 1987 for carrying out the Hazardous Liquid Program of 1979, as amended. The Committee estimates that this represents the amounts necessary for adequate performance of the statutory functions under the Acts during fiscal years 1986 and 1987.

VOTE

The Committee ordered the bill as amended reported by voice vote.

In accordance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee has received a report prepared by the Congressional Budget Office under section 403 of the Congressional Budget Act. The report is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 15, 1985.

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 2092, a bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

JAMES BLUM
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 2092.

2. Bill title: A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes.

3. Bill status: As ordered reported by the House Committee on Public Works and Transportation, May 15, 1985.

4. Bill purpose: H.R. 2092 authorizes appropriations of $3.5 million for fiscal year 1986 and $3.6 million for fiscal year 1987 for activities conducted under the Natural Gas Pipeline Safety Act of 1968. The bill authorizes $875,000 for fiscal year 1986 and $912,000 for fiscal year 1987 for administration of the Hazardous Liquid Pipeline Safety Act of 1979. For federal grants-in-aid to states to carry out activities under both acts, the bill authorizes $5 million for fiscal year 1986 and $5.2 million for fiscal year 1987. Section 4

of the bill prohibits state and local jurisdictions from assessing and taxing interstate natural gas transmission property differently from other commercial and industrial property. Section 4 also gives U.S. district courts jurisdiction to enforce this provision.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Authorization level	9.3	9.7			
Estimated outlays	6.1	9.6	3.3		

The costs of this bill fall within budget function 400.

Basis of estimate: For the purpose of this estimate, CBO assumed that the full amounts authorized will be appropriated prior to the beginning of the fiscal year. The authorization levels are those specified in the bill. Estimated outlays are based on recent historical spending patterns of the Materials Transportation Bureau of the Department of Transportation, which administers these programs.

6. Estimated cost to State and local governments: Interstate natural gas transmission properties are taxed at higher rates than other commercial and industrial property in several states. This bill would prohibit such differential tax rates. In the time available, CBO has not been able to estimate any loss of state or local tax revenues that might result from enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: On April 9, 1985, CBO prepared a cost estimate for S. 813, as ordered reported by the Senate Committee on Commerce, Science and Transportation, April 2, 1985. That version of the bill is similar to H.R. 2092, except that S. 813 authorizes $8.8 million for fiscal year 1986 and $9.2 million for fiscal year 1987 and does not include provisions prohibiting tax discrimination against natural gas pipelines. The estimated costs reflect these differences.

9. Estimate prepared by: Heidi Zukoski.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

Changes in Existing Law Made by the Bill, As Reported

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Natural Gas Pipeline Safety Act of 1968

* * * * * * *

STATE CERTIFICATIONS AND AGREEMENTS

SEC. 5. (a) * * *

* * * * * * *

(d)(1) * * *

(2) Funds [authorized to be appropriated by section 17(b) of this Act] *appropriated for carrying out the Federal grants-in-aid provisions of this subsection* shall be allocated among the several States for payments to aid in the conduct of pipeline safety programs in accordance with paragraph (1) of this [section.] *subsection.*

* * * * * * *

APPROPRIATIONS AUTHORIZED

SEC. 17. (a) For the purpose of carrying out the provisions of this Act (other than provisions for which funds are authorized to be appropriated under subsection (b) *or (c),* there are authorized to be appropriated—

(1) $6,200,000, for the fiscal year ending September 30, 1980;

(2) $6,900,000, for the fiscal year ending September 30, 1981; [and]

(3) $3,472,000, for the fiscal year ending September 30, 1985[.]*;*

(4) $3,450,000 for the fiscal year ending September 30, 1986; and

(5) $3,600,000 for the fiscal year ending September 30, 1987.

(b) For the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act, there are authorized to be appropriated—

(1) $4,500,000, for the fiscal year ending September 30, 1980;

(2) $5,500,000, for the fiscal year ending September 30, 1981; and

(3) $3,728,000, for the fiscal year ending September 30, 1985.

(c) For the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)) there are authorized to be appropriated—

(1) $5,000,000 for the fiscal year ending September 30, 1986; and

(2) $5,230,000 for the fiscal year ending September 30, 1987.

(d) Not less than 5 percent of any amounts appropriated for carrying out the Federal grants-in-aid provisions for any fiscal year beginning after September 30, 1985, shall be available only for carrying out the Federal grants-in-aid provisions of section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)).

* * * * * * *

TAX DISCRIMINATION AGAINST NATURAL GAS TRANSMISSION PROPERTY

SEC. 20. (a) As used in this section—

(1) "assessment" means valuation for a property tax levied by a taxing district;

(2) "assessment jurisdiction" means a geographical area in a State used in determining the assessed value of property for ad valorem taxation;

(3) "natural gas transmission property" means property owned or used for the transportation of natural gas by a natural gas company providing transportation of natural gas by pipeline in interstate commerce;

(4) "commercial and industrial property" means all real and personal property, other than transportation property, and land used primarily for agricultural purposes or timber growing, devoted to a commercial or industrial use and subject to a property tax levy; and

(5) "natural gas company" has the meaning such term has under the Natural Gas Act.

(b) The Congress finds and declares that the following acts unreasonably burden and discriminate against interstate commerce, and a State, subdivision of a State, or authority acting for a State or subdivision of a State may not do any of them:

(1) assess natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the ratio that the assessed value of other commercial and industrial property in the same assessment jurisdiction has to the true market value of the other commercial and industrial property;

(2) levy or collect a tax on an assessment that may not be made under paragraph (1) of this subsection; and

(3) levy or collect an ad valorem property tax on natural gas transmission property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.

The provisions of paragraphs (1), (2), and (3) of this subsection shall not apply with respect to any State whose tax rate assessments and fair market value applications achieve rate uniformity for natural gas pipelines.

(c) Notwithstanding section 1341 of title 28, United States Code, and without regard to the amount in controversy or citizenship of the parties, a district court of the United States has jurisdiction, concurrent with other jurisdiction of courts of the United States and the States, to prevent a violation of subsection (b) of this section. Relief may be granted under this subsection only if the ratio of assessed value to true market value of natural gas transmission property exceeds, by at least 5 percent, the ratio of assessed value to true market value of other commercial and industrial property in the assessment jurisdiction. The burden of proof in determining such assessed value and true market value shall be governed by State law. If the ratio of the assessed value of other commercial and industrial property in the assessment jurisdiction to the true market value of all other commercial and industrial property cannot be determined to the satisfaction of the district court through the random-sampling method known as a sales assessment ratio study, the court shall find that—

(1) an assessment of the natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the assessed value of all

other property subject to a property tax levy in the assessment jurisdiction has to the true market value of all such other property; and

(2) the collection of an ad valorem property tax on the natural gas transmission property at a tax rate that exceeds the tax rate applicable to taxable property in the taxing district;

are violations of this section. Any sales assessment ratio study conducted pursuant to this subsection shall be carried out under statistical principles applicable to such study.

(d) It is the sense of the Congress that any savings accruing to any person (including any natural gas company) by reason of the enactment and implementation of this section should be passed on to the ultimate consumers of natural gas.

HAZARDOUS LIQUID PIPELINE SAFETY ACT OF 1979

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STATE CERTIFICATIONS AND AGREEMENTS

SEC. 205. (a)

* * * * * * *

(d)(1) Except as otherwise provided in this section, if an application submitted not later than September 30 in any calendar year, the Secretary shall pay out of funds appropriated or otherwise made available up to 50 percent of the cost of the personnel, equipment, and activities of a State agency reasonably required during the following calendar year to carry out a safety program under a certification under subsection (a) or an agreement under subsection (b) of this section; or to act as agent of the Secretary with respect to interstate pipeline facilities. The Secretary may, after notice and consultation with a State agency, withhold all or any part of the funds for a particular State agency if he determines that such State agency (A) is not satisfactorily carrying out a safety program under a certification under subsection (a) or an agreement under subsection (b) of this section, or (B) is not satisfactorily acting as agent of the Secretary with respect to interstate pipeline facilities. No such payment may be made unless the State agency making application under this subsection gives assurances satisfactory to the Secretary that the State agency will provide the remaining cost of such a safety program and that the aggregate expenditures of funds of the State, exclusive of Federal grants, for hazardous liquid pipeline safety programs will be maintained at a level which does not fall below the average level of such expenditures for the last 2 fiscal years preceding the date of enactment of this section.

(2) Funds [authorized to be appropriated by section 214 of this title] *appropriated for carrying out the Federal grants-in-aid provisions of this subsection* shall be allocated among the several States for payments to aid in the conduct of pipeline safety programs in accordance with paragraph (1) of this subsection.

* * * * * * *

APPROPRIATIONS AUTHORIZED

SEC. 214. (a) For the purpose of carrying out the provisions of this title (other than provisions for which funds are authorized to be appropriated under subsection (b) *or section 17(c) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(c)),* there are authorized to be appropriated—

(1) $1,800,000, for the fiscal year ending September 30, 1980;

(2) $2,100,000, for the fiscal year ending September 30, 1981; [and]

(3) $900,000, for the fiscal year ending September 30, 1985[.]*;*

(4) $875,000 for the fiscal year ending September 30, 1986; and

(5) $912,000 for the fiscal year ending September 30, 1987.

(b) For the purpose of carrying out the Federal grants-in-aid provisions of section 205 of this title, there are authorized to be appropriated—

(1) $500,000, for the fiscal year ending September 30, 1980;

(2) $535,000, for the fiscal year ending September 30, 1981; and

(3) $500,000, for the fiscal year ending September 30, 1985.

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99TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPT. 99-130
Part 1

PUBLIC BUILDINGS SERVICE

MAY 15, 1985.—Ordered to be printed

Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 2402]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 2402) to establish the Public Buildings Service in the General Services Administration, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Section 1 of H.R. 2402 would amend the Public Buildings Act of 1959, as amended, by giving statutory standing to the Public Buildings Service within the General Services Administration and elevate the position of the Commission of the Public Buildings Service by requiring Presidential nomination and Senate confirmation of the person who holds this position.

The Public Building Service is the organizational unit within the General Services Administration which constructs leases, renovates, maintains, and operates office and other space for more than one million Federal employees. With a staff of more than 14,000 employees and an annual operating budget in excess of $2 billion, the Public Buildings Service Commissioner heads the largest component within the General Services Administration and is responsible for a space inventory of 227 million square feet located in more than 7,000 buildings across the country.

The Public Buildings Service has been a component of General Services Administration almost since the inception of General Services Administration in 1949, but Public Buildings Service has never been recognized statutorily. The Public Buildings Service now, as in the past, is headed by a Commissioner who is appointed

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by the Administrator of General Services Administration. Currently, only the Administrator is subject to the nomination and confirmation process. The significant responsibilities of the Commissioner warrant this selection procedure which is widely used in other departments and agencies for positions of equivalent importance.

Section 2 of the bill addresses the Nancy Hanks Center located at the Old Post Office Building in Washington.

Public Law 98-1, dated February 15, 1983, designating the "Nancy Hanks Center" and the "Old Post Office Building," stipulated that the Administrator of the General Services Administration was authorized to receive contributions from private individuals or organizations for purposes of erecting an appropriate tribute commemorating the accomplishments of Nancy Hanks. Public Law 98-1, which had originally given the Administrator six months to receive contributions, was amended by Public Law 98-148 to allow the Administrator to receive contributions through February 15, 1985. The purpose of this bill is to allow the Administrator to continue to collect contributions through project completion.

In 1983, a group of knowledgeable advisors was formed to make recommendations to General Services Administration as to the appropriate tribute to recognize Miss Hanks' efforts in saving the Old Post Office and her contribution to the development of the arts in America. From that group of private citizens, chaired by the Commissioner of the Public Buildings Service, a design group and a finance group were formed. The design group has been working on an appropriate memorial design. After several meetings, a design proposal is underway.

If the design is approved by the design group, a cost estimate will be developed and, if financially feasible, the group will present the design for approval to the following organizations, the Fine Arts Commission, the Pennsylvania Avenue Development Corporation, the National Endowment for the Arts and the National Endowment for the Humanities.

After the design is approved, the finance group will work to raise any additional funds over the amount set aside by the General Services Administration. Thus, given the review required by all approving parties, it is conceivable that the cost analysis and construction procurement process could take another year before actual cost can be determined.

Most importantly, General Services Administration has been approached by private citizens and companies who wish to make financial contributions to the memorial honoring Nancy Hanks. Therefore, the bill provides extension of the legislation in order to receive private donations to assist the General Services Administration in the completion of the project.

Section 3 makes a technical amendment in Public Law 98-492 which designated the United States Post Office and courthouse in Pendleton, Oregon, as the "John F. Kilkenny United States Post Office and Courthouse." The bill corrects the spelling of the street name contained in the Act to read "Dorion" instead of "Dorian."

COMPLIANCE WITH CLAUSE 2(l) OF RULE XI OF THE RULES OF THE HOUSE OF REPRESENTATIVES

(1) With reference to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter of this legislation by the Subcommittee on Investigations and Oversight.

(2) With respect to clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, H.R. 2402, as reported, does not provide new budget authority or increased tax expenditures. Accordingly, a statement pursuant to section 308(a) of the Congressional Budget Act is not required.

(3) With reference to clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee has received a report prepared by the Congressional Budget Office under section 403 of the Congressional Budget Act. The report is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 15, 1985.

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 2402, a bill to establish the Public Buildings Service in the General Services Administration, and for other purposes, as ordered reported by the House Committee on Public Works and Transportation, May 15, 1985. We estimate that enactment of this bill will result in no significant costs to the federal government, and in no costs to state or local governments.

The bill would require the Commissioner of the Public Buildings Service in the General Services Administration (GSA) to be appointed by the President and confirmed by the Senate. Currently, the Commissioner is appointed by the Administrator of GSA. The bill would also raise the Commissioner's compensation from level V to level IV of the Executive Schedule, and increase of $3,600 per year. Other provisions of the bill would have no cost impact.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

(4) With reference to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to the subject matter of this legislation.

(5) With reference to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the following information is provided: The effect of carrying out H.R. 2402, as reported, should be negligible with respect to prices and costs.

COST OF LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives required a statement of the estimated cost to the United States which would be incurred in carrying out H.R. 2402, as reported, in fiscal year 1985, and each of the following 5 years. The carrying out of this legislation is not expected to result in any increased costs to the United States.

COMMITTEE ACTION AND VOTE

The Committee, in compliance with rule XI(2)(l)(2)(A) of the Rules of the House of Representatives, reports favorably the bill, H.R. 2402. The Committee ordered the bill reported by voice vote.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC BUILDINGS ACT OF 1959

* * * * * * *

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Act of 1959".

SEC. 2. No public building shall be constructed except by the Administrator, who shall construct such public building in accordance with this Act.

* * * * * * *

SEC. 19. There is established in the General Services Administration the Public Buildings Service. The Public Buildings Service shall be administered by the Commissioner of Public Buildings, who shall be appointed by the President, by and with the advice and consent of the Senate.

TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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Subpart D—Pay and Allowances

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CHAPTER 53—PAY RATES AND SYSTEMS

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Subchapter II—Executive Schedule Pay Rates

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§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Administrator of General Services.

* * * * * * *

Commissioner of Public Buildings, General Services Administration.

§ 5316. Positions at level V

Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Administrator, Agricultural Marketing Service, Department of Agriculture.

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[Commissioner, Public Buildings Service, General Services Administration.]

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Act of February 15, 1983

AN ACT To designate a "Nancy Hanks Center" and the "Old Post Office Building" in Washington, District of Columbia, and for other purposes

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Sec. 3. (a) The Administrator of General Services, in consultation with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, shall erect at suitable locations at the Nancy Hanks Center appropriate markers or displays commemorating the accomplishments of Nancy Hanks in the fields of government and culture and describing her actions and those of others in Government and private life that led to the renovation and mixed-use development of the Old Post Office Building.

(b) The Administrator of General Services is authorized to expend for the purposes of subparagraph (a) of this section a sum not to exceed $50,000 available in any fiscal year out of revenues and collections deposited into the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, and any additional contributions of money provided to him by private individuals or organizations for these purposes [within two years of enactment of this Act.].

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ACT OF OCTOBER 17, 1984

AN ACT To designate the United States Post Office and Courthouse in Pendleton, Oregon, as the "John F. Kilkenny United States Post Office and Courthouse"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office and Courthouse located at 104 Southwest [Dorian] *Dorion* Avenue, Pendleton, Oregon, shall hereafter be known and designated as the "John F. Kilkenny United States Post Office and Courthouse". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "John F. Kilkenny United States Post Office and Courthouse".

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